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# <u>Support</u> – HB 52 – Real Property – Alterations in Actions for Repossession and Establishment of Eviction Diversion Program Hearing of the Judiciary Committee, February 17, 2021

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal aid organization that provides free legal representation to people who are homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP regularly represents tenants in failure to pay rent cases and other landlord-tenant matters in Baltimore City.

Under current state law, a landlord can file a failure to pay rent complaint and obtain a judgment for possession of the rental property in question in less than one week, and obtain a warrant of restitution for the property in less than two weeks.

HB 52 establish an eviction diversion program that will create natural breaks in the eviction process to allow opportunities for landlords and tenants to create agreements that will significantly reduce the number of disruptive and destabilizing evictions in Maryland.

### Requiring Pre-Filing Notice and Good Faith Efforts by Landlords Would Decrease Eviction Filings

Under current Maryland law, a landlord is not required to provide any notice to the tenant or engage in any efforts to assist the tenant prior to filing a complaint with the court for nonpayment of rent. This means that the only time a landlord is required under law to engage with their tenant with respect to nonpayment is in court, on the day of trial. In Baltimore City, this has led to an extremely high rate of eviction filings. Indeed, in a city with 125,000 renter households, 140,000 evictions are filed annually – more than one for every renter household in Baltimore City. Leighty four percent (84%) of eviction filings in Baltimore City were for a single month's rent, indicating that landlords are filing serially and using the court system as a rent collection mechanism. HPRP has represented many tenants who were not aware until receiving the failure to pay rent complaint their landlord filed that they were allegedly behind on the rent and who had never seen a copy of their rent ledger before the day of trial. HB 52 will address these flaws in the system by require landlords to give notice to their tenants, at least ten days before filing for eviction, both advising the tenant of their rent delinquency and providing information on how to access financial assistance and assistance establishing a repayment agreement. This required pre-filing notice will open the lines of communication between landlord and tenant and give them an opportunity to reach an agreement even before an eviction action is filed.

## Establishing a Pre-Trial Status Conference Would Assist In Presenting Valid Defenses and Would Reduce Homelessness

According to a report issued by Stout Risius Ross, LLC (hereinafter "the Stout Report"), eighty percent (80%) of tenants in Baltimore City had a valid legal defense to a nonpayment of rent complaint filed against them, such as unsafe conditions or a landlord's failure to license their property, but only eight percent (8%) of tenants were able to successfully raise such a defense without legal counsel.<sup>3</sup> Under current law, tenants are only guaranteed one opportunity to present valid legal defenses to the court, defenses they may not know even exist or apply to them.

 $^3$  Id.

 $<sup>^{\</sup>rm 1}$  Stout Risius Ross LLC, The Impact of an Eviction Right to Counsel in Baltimore City, available at https://bmorerentersunited.org/rtc/stoutreport/.

 $<sup>^{2}</sup>$  Id.

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Under HB 52, landlords and tenants would first be required to appear in court for a status conference—a hearing where no judgment would be entered - where the tenant could present any information they have about potential defenses. Additionally, since the tenant would have received the required pre-filing notice with information about legal representation, the tenant could either have counsel present or have the opportunity to request a continuance to engage counsel. A judge would also have discretion to order the parties to engage in alternative dispute resolution, or, if an agreement cannot be reached, schedule a trial date. HB 52 would also give the courts the opportunity to engage with tenants to determine if they are eligible for rental assistance or other beneficial services before trial.

Evictions cause homelessness; according to the Baltimore City Point in Time (PIT) Count from January 2020, twenty percent (20%) of homeless individuals interviewed were homeless as a result of eviction. Creating a pre-trial status conference would reduce the number of evictions and disruptive displacement in Maryland. HB 52 is an important homelessness prevention measure.

### **Extending the Appeal Deadline Would Expand Access to Justice for Tenants**

Under current law, a tenant has just four business days to appeal after a judgment for nonpayment of rent is entered against them, making it one of the shortest appeal periods in the state of Maryland<sup>5</sup>. HB 52 would bring the appeal period for nonpayment of rent cases in line with the majority of the Real Property Code and extend the time for filing an appeal from four days to ten days. Extending the appeal period will give tenants critical, necessary time to determine if there is a basis to appeal.

Additionally, under current law, a judge only has discretion to stay an eviction if the tenant provides documentation from their doctor at trial that an eviction poses an imminent risk to their health. HB 52 would give judges additional discretion in this arena, allowing stays of eviction to be heard on motion of the tenant with evidence of a critical medical condition or that the tenant is in the process of seeking assistance with their rent from a third-party organization. This type of discretion creates an additional stopgap against disruptive displacement and homelessness.

#### HPRP urges a FAVORABLE REPORT on SB 454.

Please contact Carisa A. Hatfield, Homeless Persons Representation Project, at 410-685-6589 ext. 32 or chatfield@hprplaw.org with any questions.

<sup>&</sup>lt;sup>4</sup> Baltimore City Continuum of Care, <u>2020 Point-in-Time (PIT) Count Report</u>, *available at* https://drive.google.com/file/d/197okMLOAT9BZXYNuxjSl DXeVmNPnKcc/view.

<sup>&</sup>lt;sup>5</sup> The only shorter period also falls under the Real Property Code in relation to appeal of mobile home park repossessions, which is two (2) days. Md. Code Ann., Real Prop. §8A-1701.